Session # 2 Lecture

Overview

- *NLM case review-discussion*
  - *Conversation with Ms. Williams, NLM*
- *Course logistics*
- *Discuss Challenge Question #1*
- *Discuss Challenge Question #2*
- *Discuss E-Bay in the Context of Chapter 2*
  - *E-Bay video*
- *Develop Case Analysis Framework using Amazon*

Discuss Challenge Question #1

- *What was the goal of your transformation?*
- *What were the key areas?*
- *Where did you locate your area on McFarland's grid?*
- *What did you decide to do (move or stay put)?*
- *What technology was used for the transformation?*
- *What was the impact (five bullet points)?*
- *What was the value proposition to your stakeholders?*

Discuss Challenge Question #2

- *What process did you focus on?*
- *What Approaches to Business Model Evolution did you apply to your process?*
- *What Proposed technologies / applications did you recommend?*
- *What was the value proposition (benefits to stakeholders)?*

E-Bay / Chapter 2

- *How did E-Bay evolve their business model?*
  - *Video*
  - *Discuss Examples*
- *How did American express evolve their business model*
  - *Discuss examples*

Case Framework

- *Describe the Company, Industry and Environment*
- *Who are the Stakeholders?*
- *What are the problems / Symptoms?*
- *Who or What has the potential for causing the problems*
- *Who may be affected by the problems*
- *What are the alternative Solutions*
- *What are the pro's and Con's of each solution*
- *What is your recommendation*

Case Analysis Framework

- *Describe the Company, Industry and Environment*
- *Discuss Amazon.com*

Case Framework

- *Who are the Stakeholders?*
  - *Internal*
  - *External*
- *Discuss Amazon.com*
- *As a class list*

Case Framework

- *What are the problems / Symptoms?*
- *Discuss Amazon.com*
  - *Within your groups*
    - *List a set of potential problems for Amazon (approx. 5)*
  - *Discuss as a class*
    - *Symptoms / Problems / connection*
  - *Develop a Matrix*

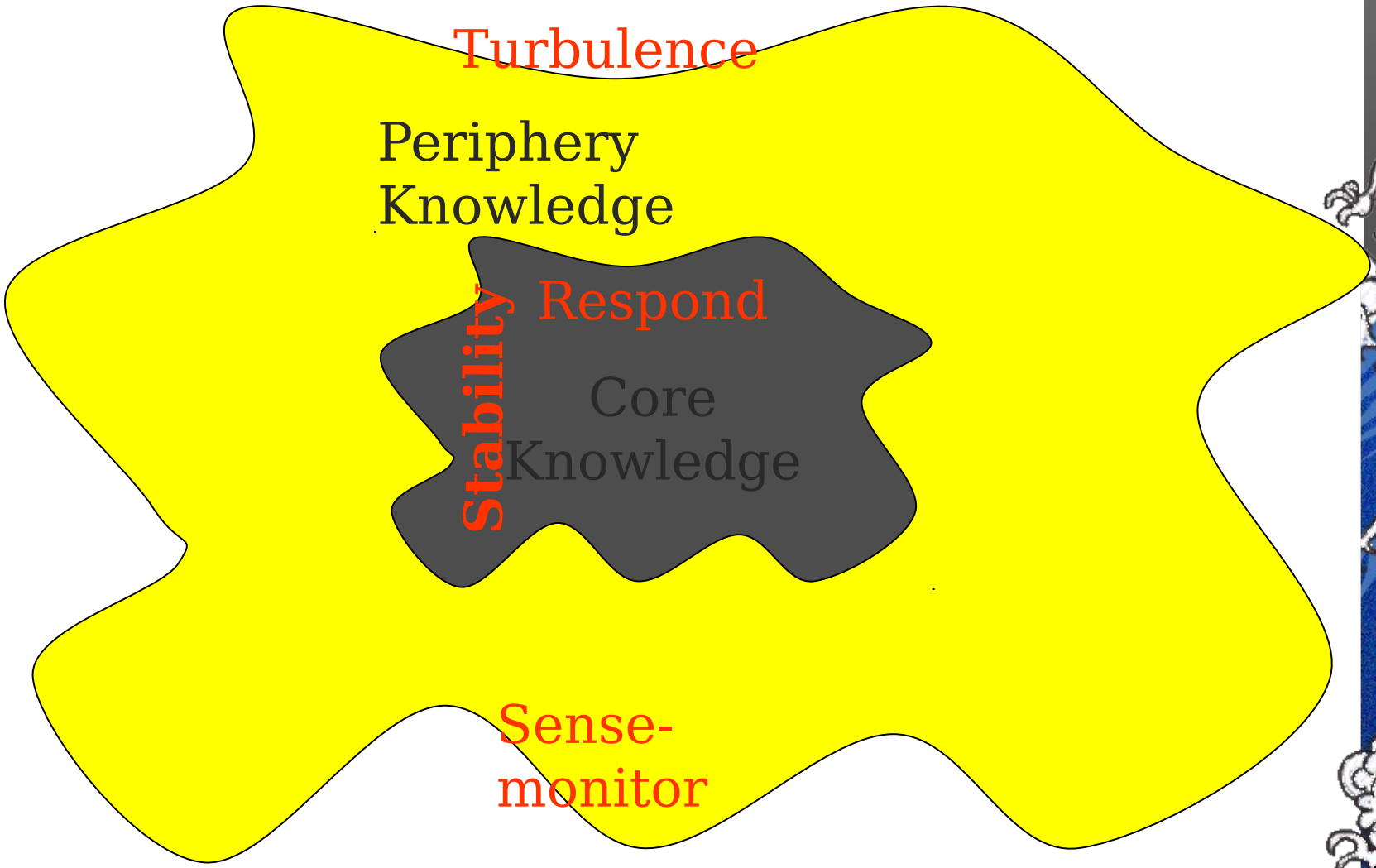
Case Framework

- *Who or What has the potential for causing the problems / Who may be affected by the problems?*
  - *Stakeholders*
  - *Environment*
- *Discuss Amazon.com*
- *As a Class connect to either Symptoms or Problems*

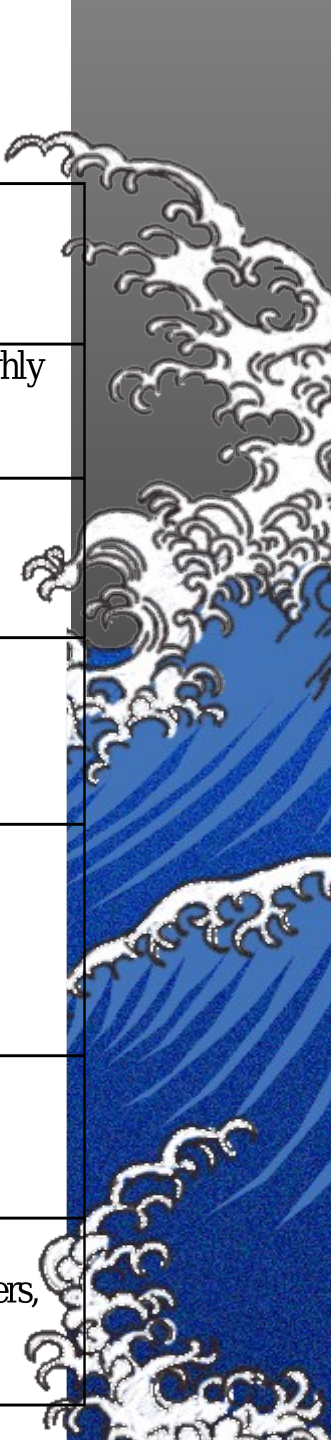
Case Framework

- *What are the alternative Solutions*
- *Discuss Amazon.com*
  - *In your groups develop a set of solutions (3) one for each problem or one that solves more than one problem*
  - *As a class / Group list all the solutions*
  - *As a group list the Pro's and Cons of each solution*
  - *As a class discuss the Pro's and Con's*
  - *As a group determine the best solution*

Ecosystem Model of Internet Business Space



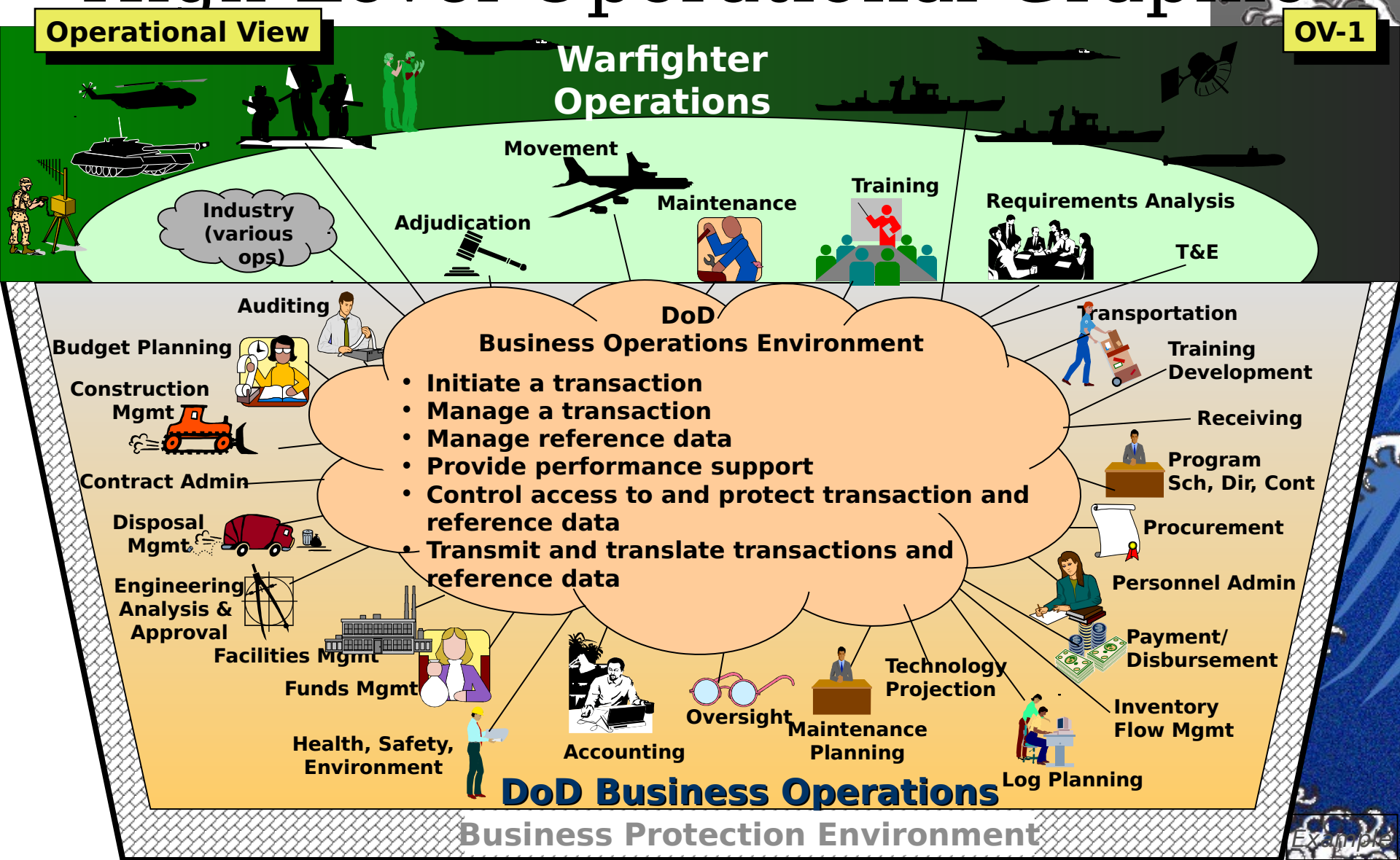
	Industrial Age (mechanistic) Old Way	Internet Information Age (organic) New Way
Customers	Take what they can get, mass production	- Customization-Individually - Electronic Bonding - Well known behavior patterns
Processes	Externalized-machine precision--controlled from top (Moving atoms)	External and internal--changing constantly, highly automated, flexible (Moving electrons)
Economics	Return on Tangible assets - Cost accounting - Cost only raw data	Return on intangible - Both cost and value - New raw data for cost/value intangibles
Change	- Predictable, controllable - Linear, Newtonian, Mechanistic	- Constant--unpredictable based on changing market - "Internet Time" - Thermodynamics
Management	- Command and Control - Top-down - Build step-by-step (Theory X, Scientific Mgmt)	- Bottoms-up - Sense and respond - Cultivate (Self-directed work teams, self-organizing, communities of practice/interest)
Strategy	- Forecasting based on historical trends and control of capital - Risk-averse	- Monitor and adapt - Risk as a fact of life - Never get comfortable with status quo
Information Technology	- Automate to reduce production and back office costs	- Information instantaneously everywhere - Connect parties to create new value(customers, sellers, suppliers) - Move K-assets out of heads into IT



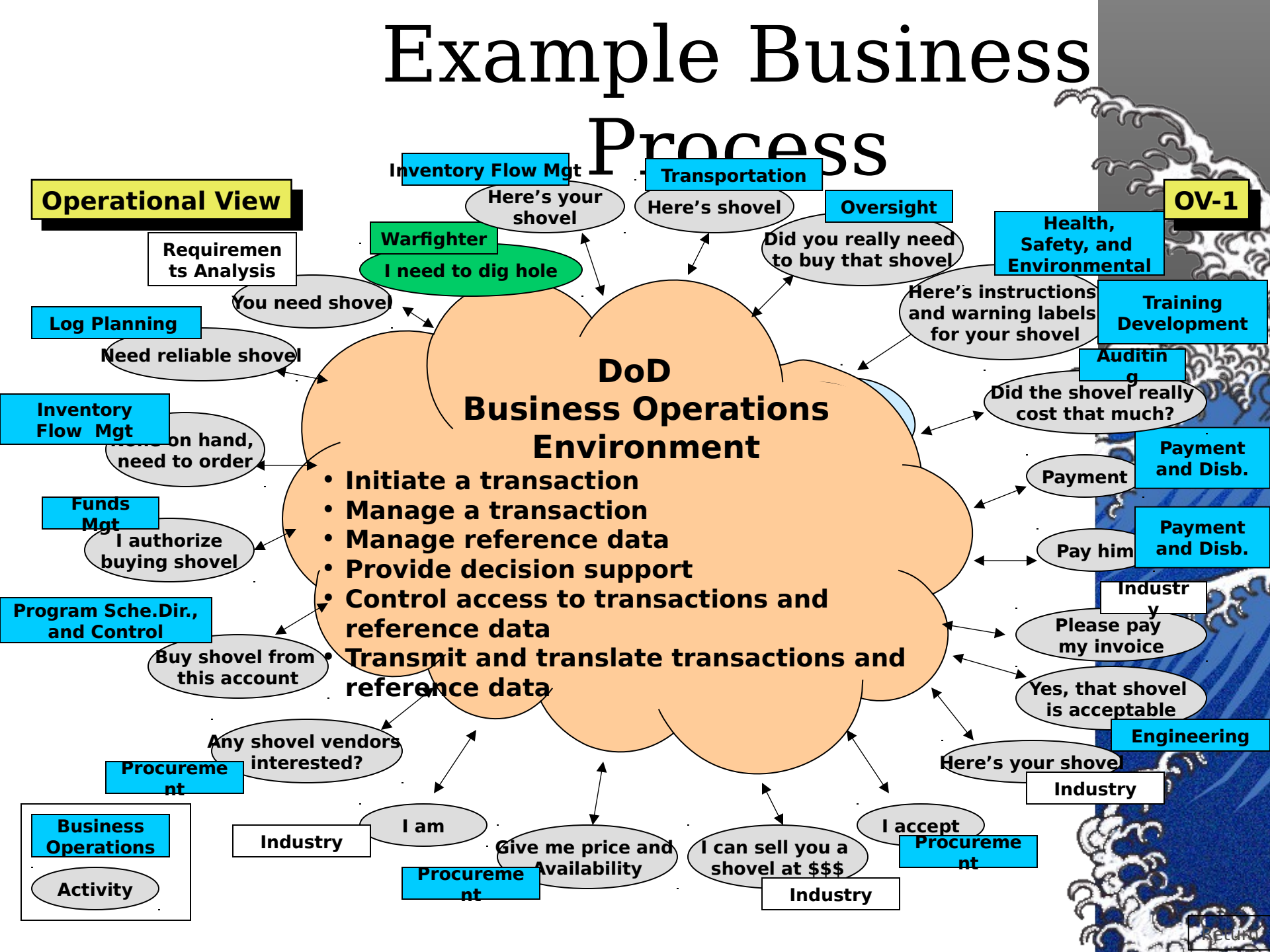
EB/EC Architecture Goals

- *Provide a means for optimizing DoD business operations*
  - *Define DoD business operations and their operational environment*
  - *Define the flow of data/assets necessary to conduct business operations*
  - *Define major system components*
  - *Define flexible industry-based technology profile*
- *Provide the following (through DoD-wide adherence to Architecture):*
  - *Compatibility of business operations*
  - *Commonality of business functions*
  - *Interoperability and scalability of business systems*
  - *Efficient use of resources*

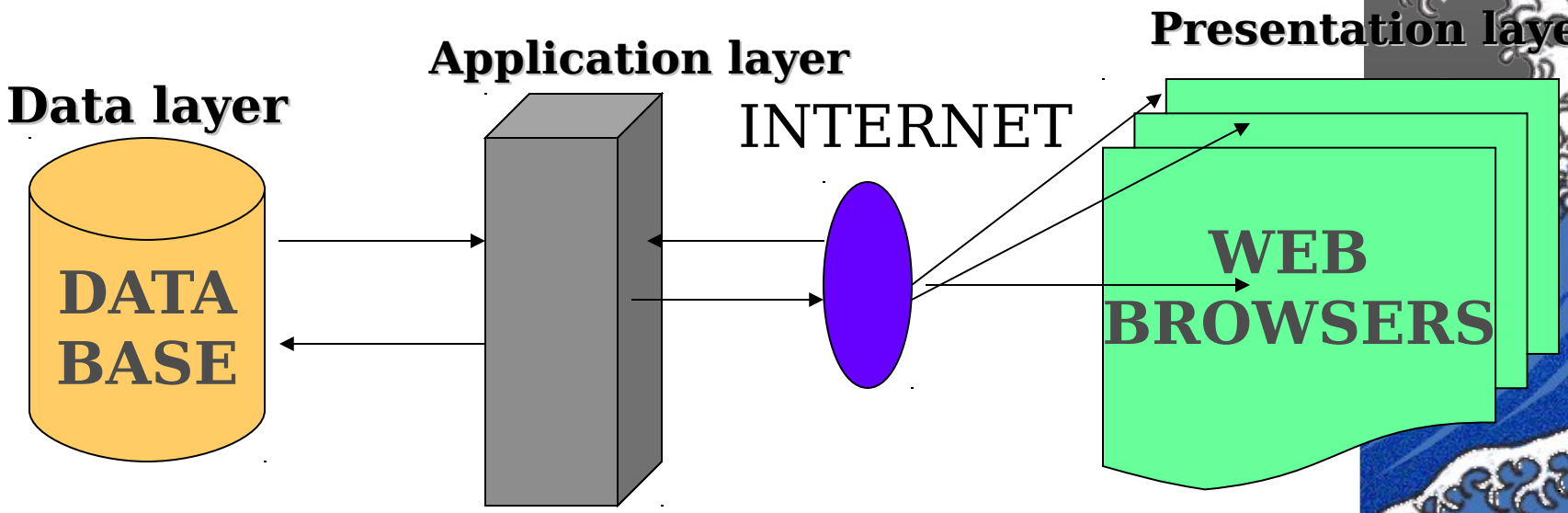
DoD EC Architecture
High-Level Operational Graphic



Example Business Process



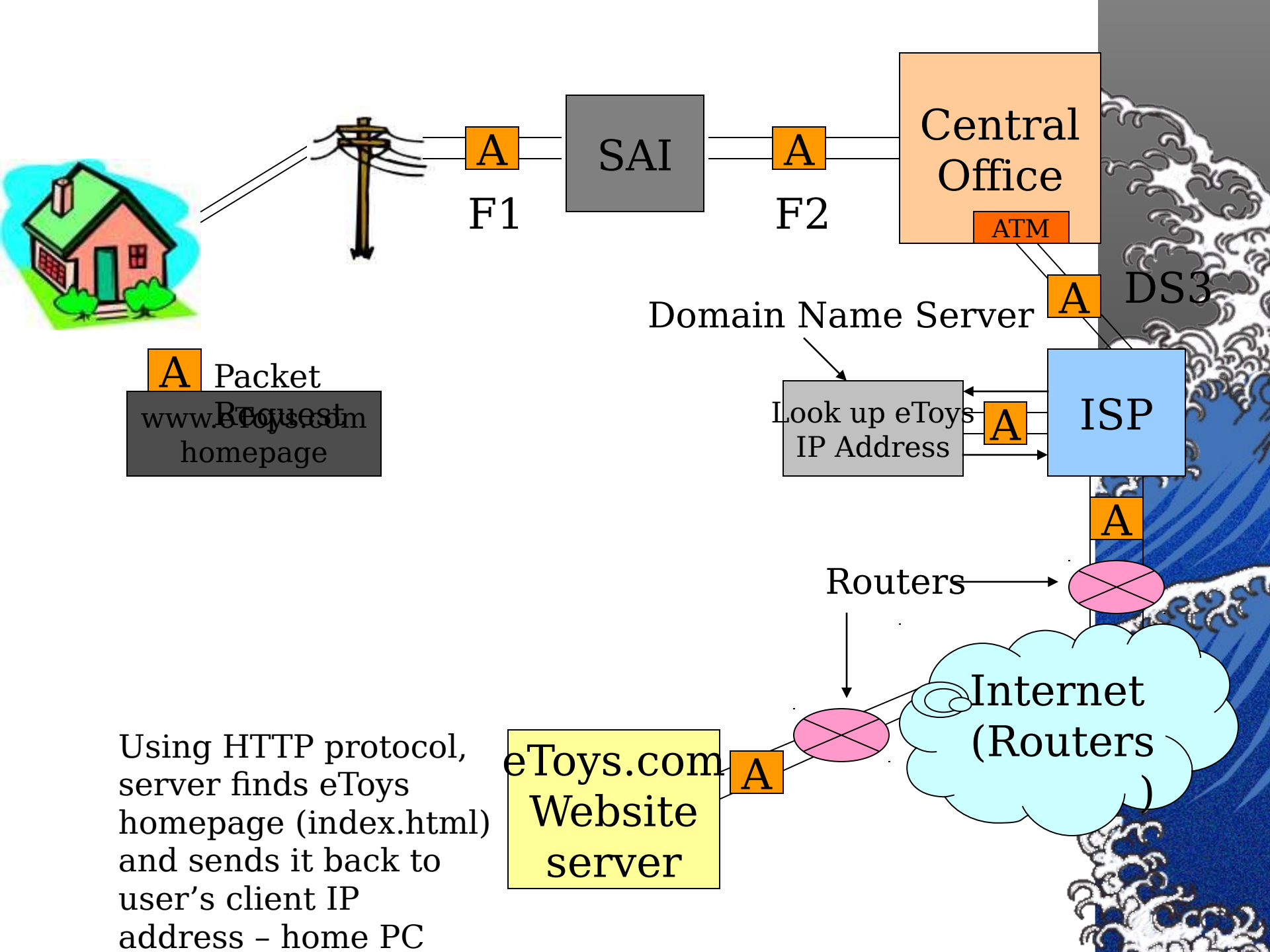
Three Tier/N'Tier Model for E-Business



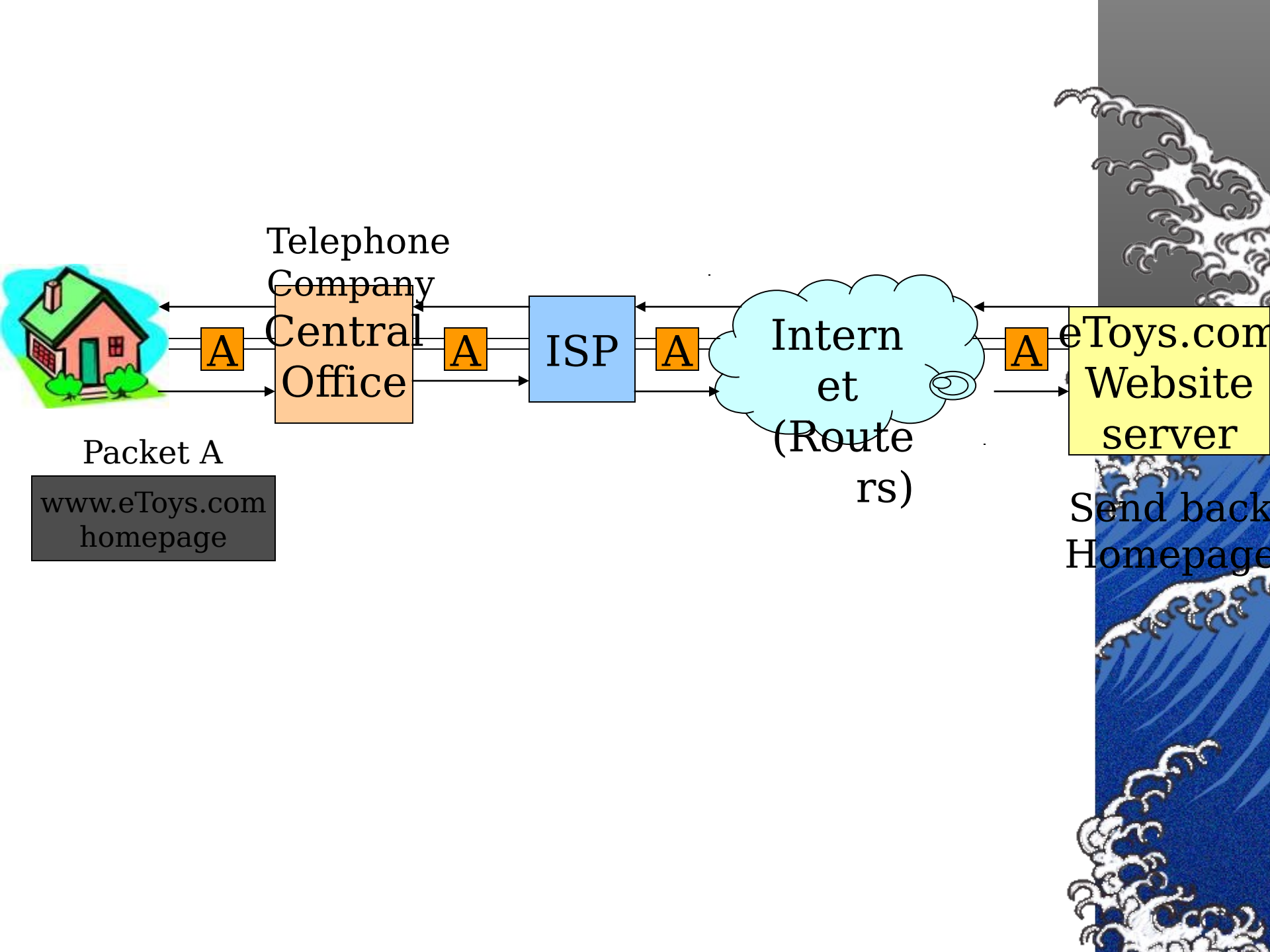
DATABASE SERVER
- ORACLE
- MS SQL
- ACCESS

WEB SERVER and APPLICATION SERVER
- MS I.S.
- UNIX (APACHE)
- ASP, JSP

CLIENT BROWSER
- NETSCAPE
- MS I.E.



Using HTTP protocol, server finds eToys homepage (index.html) and sends it back to user's client IP address – home PC


Telephone Company
Central Office
ISP
Intern et (Route rs)
eToys.com Website server
A
A
A
A
Packet A
www.eToys.com homepage
Send back Homepage

Sources of Change

Condition

	DoD-Top Brass	*President*	*Congress*	*Citizens*
War	X			
Peace			X	X
In Between (e.g.Terrorism)		X		

Conclusions

- *N'Tier architecture for applications*
- *Continued exponential growth*
- *Everything will be IP*
- *Broadband and wireless growth*
- *Acceleration of business – government/ defense change will continue unabated*